



14 September 2006

The Manager
Company Announcements
Australian Stock Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

RHT: Entitlement Issue & Initial Placement

Resonance Health Limited is pleased to announce the results of its non- underwritten 3 for 4 Entitlements Issue and initial placement.

Many shareholders took the opportunity to subscribe for additional shares well above their entitlement and it is evident that Shareholders are showing their support for the Board and for the company's strategy going forward.

The company raised just over \$2 million for a total new issue and allotment of almost 106 million shares, including a placement of part of the shortfall (\$800,000) to Queensland BioCapital Funds (part of Queensland Investment Corporation). This exceeds the stated minimum subscription amount of \$1.5 million. The Board is seeking to place the remaining shortfall shares with institutional and professional investors, and will make a further announcement once those shares have been placed.

The money raised will be used for the purposes set out in the prospectus including to enable the company to focus on developing the Company's liver fibrosis diagnosis technology FibroScreen™.

“The Board was cognisant that the Company needed a cash injection quickly to match a possible grant funding and allow the R&D momentum we have gained to date to continue on the FibroScreen™ technology. The Board immediately addressed this need with an entitlement issue and we are very pleased with the outcome. We also believe this is a sign that the majority of our Shareholders support the current strategy,” said Chairman Dr. Gary W. Pace.

The shortfall to the issue stands at around 47.5 million shares (approximately \$950,000). However, as noted above, the Board is seeking to place this shortfall.

Appendix 3B is attached and further details of the issue are outlined below:

Capital raised from existing shareholders	\$1,317,989 (65,899,468 shares)
Capital raised from placement to QBF	\$800,000 (40,000,000 shares)
Total Capital Raised	\$2,117,989, (105,899,468 shares)
Under Subscription (shortfall shares available to be placed within 3 months of closing date)	\$951,127 (47,556,351 shares)
No. of New Shares to be issued & allotted	105,899,468
No. of Total Shares on issue after allotment of new issues	310,507,227
Issue of New Shares and despatch of shareholding statements	Friday 15 September 2006
Normal trading of New Shares expected to commence on ASX.	Monday 18 September 2006

Yours faithfully



Eva Liu
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

RESONANCE HEALTH LIMITED

ABN

96 006 762 492

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Fully Paid Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 105,899,468 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Same as existing listed ordinary fully paid shares |

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The securities will rank equally in all respects with existing ordinary shares from the date of allotment.</p>										
<p>5 Issue price or consideration</p>	<p>2 cents per new ordinary fully paid share</p>										
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The purpose of the issue was to raise additional capital for the continuation of the FerriScan® business. The funds are also to be used for the continued R&D efforts for the fibrosis testing technology and to provide additional working capital for general corporate purposes.</p>										
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>15 September 2006</p>										
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="767 1413 965 1451">Number</th> <th data-bbox="970 1413 1361 1451">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="767 1458 965 1541">310,507,227</td> <td data-bbox="970 1458 1361 1541">Ordinary Shares</td> </tr> <tr> <td data-bbox="767 1547 965 1630">47,798,794</td> <td data-bbox="970 1547 1361 1630">Options – 15c on or before 15/1/07</td> </tr> <tr> <td data-bbox="767 1637 965 1720">20,604,594</td> <td data-bbox="970 1637 1361 1720">Options – 40c on or before 15/1/08</td> </tr> <tr> <td colspan="2" data-bbox="767 1727 1361 1816">(continued next page)</td> </tr> </tbody> </table>	Number	+Class	310,507,227	Ordinary Shares	47,798,794	Options – 15c on or before 15/1/07	20,604,594	Options – 40c on or before 15/1/08	(continued next page)	
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310,507,227	Ordinary Shares										
47,798,794	Options – 15c on or before 15/1/07										
20,604,594	Options – 40c on or before 15/1/08										
(continued next page)											

	Number	+Class
9		
Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	800,000	Options – 40c on or before 07/07/2009
	1,600,000	Options – 30c on or before 07/07/2009
	4,000,000	Options – 20c on or before 12/11/2007
	3,333,341	Options – 20c on or before 06/12/2007
	3,333,325	Options – 30c on or before 06/12/2007
	3,333,342	Options – 20c on or before 01/02/2008
	3,333,325	Options – 30c on or before 01/02/2008
	500,000	Options – 25c on or before 31/05/2007
	1,000,000	Options – 30c on or before 31/05/2008
		<u>Incentive Shares</u>
	13,000,000	Incentive shares – F class
	3,000,000	Incentive shares – G class
		(continued next page)

9

Number	+Class
	<u>Incentive Options</u>
3,333,334	Options 20c, 3 years from date of issue
3,333,333	Options – 30c, 3 years from date of issue
2,000,000	Options – 40c expiring 31/07/2008
2,000,000	Options – 50c expiring 31/07/2008
100,000	Employee Incentive options – 30c expiring 24/03/2008
400,000	Employee Incentive options – 40c expiring 02/04/2007
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)
There are currently no plans to pay any dividends.	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	This was a Non-Renounceable Issue
13	Ratio in which the +securities will be offered	Three new shares for every four shares held
14	+Class of +securities to which the offer relates	Fully paid Ordinary Shares
15	+Record date to determine entitlements	17 July 2006
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes

17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number of new shares.
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All foreign countries except New Zealand. At the date of this notice excluded countries are: Argentina France Great Britain Guernsey Channel Island Ireland Malaysia Monaco Papau New Guinea Singapore Thailand United Arab Emirates United States Vanuatu
19	Closing date for receipt of acceptances or renunciations	11 September 2006
20	Names of any underwriters	There were no underwriters for this issue
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A

Appendix 3B
New issue announcement

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Despatch date	15 September 2006

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Appendix 3B
New issue announcement

41 Reason for request for quotation now
 Example: In the case of restricted securities, end of restriction period

 (if issued upon conversion of another security, clearly identify that other security)

Allotment & initial placement of 3 for 4 Entitlement Issue
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42 Number and +class of all +securities quoted on ASX
 (including the securities in clause 38)

Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(Company secretary)

Date: 14 September 2006

Print name: Eva Liu